

**JUDICIAL CLERK'S FUND OF THE
THIRTY-FOURTH JUDICIAL DISTRICT COURT
CHALMETTE, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/15/07

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Annual Financial Statements

For The Year Ended December 31, 2006

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Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
HAMMOND, LA

John N. Durnin, CPA
Dennis E. James, CPA

Member
American Institute of CPA's
Society of Louisiana CPA's

June 19, 2007

Accountant's Review Report

The Honorable Kirk Vaughn
and Honorable Judges
Thirty-Fourth Judicial District Court
Chalmette, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and each major fund of the Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court, Chalmette, Louisiana, a component unit of the St. Bernard Parish Council, as of and for the year ended December 31, 2006, which collectively comprises the Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court's basic financial statements as listed in the table of contents, in accordance with Statements for Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of management.

The review consists principally of inquiries of District Court personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The budgetary comparison schedule on page 14 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated June 19, 2007, on the results of our agreed-upon procedures.

Respectfully submitted,

Durnin & James, CPAs

Durnin & James, CPAs
(A Professional Corporation)

Basic Financial Statements

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Exhibit A

Governmental Funds Balance Sheet / Statement of Net Assets

December 31, 2006

	General Fund	Juvenile Probation	FINS Fund	Adjustments (Note 1)	Statement of Net Assets
Assets					
Cash and Cash Equivalents	\$ 169,637	\$ 5,949	\$ 41,147	\$ -	\$ 216,733
Receivables	-	-	-	-	-
Due from Other Governments (Net of Allowances for Uncollectibles)	31,359	-	-	-	31,359
Due from Other Funds	-	-	-	-	-
Capital Assets, Net of Accumulated Depreciation (Note 6)	-	-	-	30,844	30,844
Total Assets	\$ 200,996	\$ 5,949	\$ 41,147	\$ 30,844	\$ 278,936
Liabilities					
Accounts Payable	\$ 10,179	\$ -	\$ 675	\$ -	\$ 10,854
Due to Other Funds	-	-	-	-	-
Total Liabilities	\$ 10,179	\$ -	\$ 675	\$ -	\$ 10,854
Net Assets					
Investment in Capital Assets,					
Net of Related Debt	\$ -	\$ -	\$ -	\$ 30,844	\$ 30,844
Unreserved, Undesignated	190,817	5,949	40,472	-	237,238
Total Net Assets	\$ 190,817	\$ 5,949	\$ 40,472	\$ 30,844	\$ 268,082

The accompanying notes are an integral part of this statement.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Exhibit B

Statement of Governmental Fund Revenues, Expenditures, and Changes in
Fund Balances / Statement of Activities

For the Year Ended December 31, 2006

	General Fund	Juvenile Probation	FINS Fund	Adjustments (Note 1)	Statement of Activities
Expenditures / Expenses:					
General Government	\$ (14,208)	\$ (3,021)	\$ (5,317)	\$ -	\$ (22,546)
Salaries & Related Benefits	(14,135)	-	(11,902)	-	(26,037)
Legal & Professional	(8,076)	(325)	(1,800)	-	(10,201)
Transfers to Drug Court Corporations	(60,287)	-	-	-	(60,287)
Supplies	(1,167)	-	-	-	(1,167)
Capital Outlay	(36,499)	-	-	36,499	-
Depreciation	-	-	-	(6,677)	(6,677)
Total Expenditures / Expenses	\$ (134,372)	\$ (3,346)	\$ (19,019)	\$ 29,822	\$ (126,915)
Program Revenues:					
Court Cost	\$ 146,040	-	\$ -	\$ -	\$ 146,040
Probation Supervision Fees	-	220	-	-	220
Total Program Revenues	\$ 146,040	\$ 220	\$ -	\$ -	\$ 146,260
Net Program Expense	\$ 11,668	\$ (3,126)	\$ (19,019)	\$ 29,822	\$ 19,345
General Revenues:					
Intergovernmental Grants	\$ 41,359	-	\$ 16,891	\$ -	\$ 58,250
State Drug Court Grants	60,287	-	-	-	60,287
Other	444	42	-	-	486
Total General Revenues	\$ 102,090	\$ 42	\$ 16,891	\$ -	\$ 119,023
Excess (Deficiency) of Revenues over Expenditures	\$ 113,758	\$ (3,084)	\$ (2,128)	\$ 29,822	\$ 138,368
Fund Balance / Net Assets - Beginning of the Year	\$ 77,059	\$ 9,033	\$ 42,600	\$ 1,022	\$ 129,714
Fund Balance / Net Assets - End of the Year	\$ 190,817	\$ 5,949	\$ 40,472	\$ 30,844	\$ 268,082

The accompanying notes are an integral part of this statement.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements

For The Year Ended December 31, 2006

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Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements

For The Year Ended December 31, 2006

Introduction

The Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court (the "District Court") was established June 1986 by Act No. 47, Subsection A of Section 996.48 of Title 13 of the Louisiana Revised Statutes of 1950 by the Legislature of Louisiana.

The Act provides for the collection of fees or costs in addition to all other fees or costs now or hereafter provided by law. The Clerk of Court of the Thirty-Fourth Judicial District Court shall collect from every person filing any type of civil suit or proceeding and who is not otherwise exempted by law from the payment of court costs, a sum to be determined by Judges of said district, sitting en banc, which sum shall not exceed thirty dollars, subject; however, to the provisions of Louisiana Code of Civil Procedure, Article 5181, et seq.; and, in all criminal cases in St. Bernard Parish, there shall be taxed as costs against every defendant who is convicted after trial or after he pleads guilty or who forfeits his bond, a sum likewise determined, but which shall not exceed twenty-five dollars, which shall be in addition to all other fines, costs or forfeitures lawfully imposed, and which shall be transmitted to the said court for further disposition in accordance herewith.

The judges, en banc, may appoint such law clerks, secretarial, clerical, research, administrative, or other personnel as they deem necessary to expedite the business and function of the court and fix and pay all or any part of the salaries or reasonable expenses of such personnel out of the moneys in the District Court. In like manner, the judges, en banc, may utilize the moneys in the District Court to pay all or any part of the cost of establishing or maintaining a law library for the court or for buying, leasing, or maintaining any type of equipment, supplies, or other items consistent with or germane to the efficient operation of the court, or to pay for actual expenses incurred, including travel, lodging, tuition, and fees, by any judge or clerk in attending any seminar or conference germane to the proper operation of the court.

The accounting and reporting policies of the District Court conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying basic financial statements of the District Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus; and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of July 1, 2001.

B. Reporting Entity

As the governing authority of the parish, for reporting purposes, the St. Bernard Parish Council is the financial reporting entity for St. Bernard Parish. The financial reporting entity consists of (1) the primary government (council), (2) organizations for which the primary government is financially accountable, and

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements (Continued)

For The Year Ended December 31, 2006

(3) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Bernard Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Parish Council to impose its will on that organization and / or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Council.
2. Organizations for which the Parish Council does not appoint a voting majority but are fiscally dependent on the Council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Parish Council provides for office space, courtrooms, and approval authority over its capital budget and therefore is fiscally dependent on the council, the District Court was determined to be a component unit of the St. Bernard Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District Court and do not present information on the Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The accounts of the District Court are organized on the basis of funds. The operations of the funds are accounted for with separate sets of self-balancing accounts that comprise their assets, liabilities, fund balances, revenues, and expenditures. The funds presented in the financial statements are described as follows:

General Fund

The General Fund is the general operating fund of the Judicial Clerk's Fund. It is used to account for all financial resources.

Special Revenue Fund

The Juvenile Probation Supervision Fee Special Revenue Fund is used to account for the receipt and disbursement of funds collected for juvenile probation supervision fees.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements (Continued)

For The Year Ended December 31, 2006

The Families in Need of Services (FINS) Special Revenue Fund is used to account for the receipt and disbursement of funds collected for reducing the number of children who enter the juvenile justice system or the foster care system.

D. Basis of Accounting

The amounts reflected in the governmental funds of Exhibits A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District Court's office-wide operations.

The amounts reflected in the governmental funds of Exhibits A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible with the current period or soon enough thereafter to pay liabilities of the current period. The District Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Revenues are generally recognized when they become measurable and available as net current assets. Court costs, intergovernmental grants and interest revenue are recorded when due. Substantially all other revenues are recorded when received.

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. Governmental-Wide Financial Statements

The column labeled Statement of Net Assets (Exhibit A) and the column labeled Statement of Activities (Exhibit B) display information about the District Court as a whole. These statements include all the financial activities of the District Court. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements (Continued)

For The Year Ended December 31, 2006

Reconciliation:

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Exhibit B) and Statement of Net Assets (Exhibit A) are as follows:

<u>Exhibit B</u>	
Recording of Depreciation Expense	\$ (6,677)
Adjustment for Capital Outlay	36,499
Adjustment to Beginning Fund Balance for Prior Years:	
Capital Assets	<u>1,022</u>
Net Effect of Changes	<u>\$ 30,844</u>

<u>Exhibit A</u>	
Recording Net Capital Assets	<u>\$ 30,844</u>
Net Effect of Changes	<u>\$ 30,844</u>

F. Budgets and Budgetary Accounting

The District Court adopted an operating budget for the General Fund for the fiscal year ended December 31, 2006. The District Court did not adopt operating budgets for the Juvenile Probation Supervision Fee Special Revenue Fund, and the Families In Need of Services Special Revenue Fund for the fiscal year ended December 31, 2006. The budget for the General Fund is adopted on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP).

The District Court follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Chief Judge prepares a proposed budget and submits same to the Judges of the District Court for their review.
2. A meeting is then held to review the proposed budget and formal adoption is made by majority vote of the Judges of the District Court.
3. Copies of the adopted budget are kept on file for public inspection.
4. Budgetary amendments due to increase or decrease in revenues or expenditures over amounts estimated require the approval of the Judges of the District Court. The general fund budget for the year ended December 31, 2006 was amended.
5. All budgetary appropriations lapse at the end of each year.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements (Continued)

For The Year Ended December 31, 2006

6. Formal budgetary integration is not employed. Budgeted amounts included in the accompanying financial statements include the originally adopted budget amounts. The amounts are reconciled to the amounts reflected on the budget comparison statements as follows:

	<u>General Fund</u>
Excess (Deficiency) of Revenues	
Over Expenditures (Exhibit B)	\$ 113,758
Add:	
Prior Year Receivables	2,940
Current Year Payables	10,179
Less:	
Current Year Receivables	31,359
Prior Year Payables	<u>1,213</u>
Excess (Deficiency) of Revenues	
Over Expenditures - Cash Basis	<u>\$ 94,305</u>

The District Court did not comply with certain provisions of state law which require a budget to be adopted for the general fund and all special revenue funds and a budget amendment be adopted when budgeted revenues exceed actual revenues by five percent or more and when actual expenditures exceed amounts budgeted by five percent or more.

G. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest-bearing demand deposits, money market accounts, and time deposits. Under state law, the District Court may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities are 90 days or less; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

H. Inventories

The District Court utilizes the "purchase method" of accounting for supplies whereby expendable operating supplies are recognized as expenditures when purchased. The District Court did not record any inventory at December 31, 2006.

I. Capital Assets

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Court maintains a threshold level of \$100 or more for capitalizing capital assets.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements (Continued)

For The Year Ended December 31, 2006

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the useful life of the asset. Capital assets in this report are comprised of equipment which has an estimated useful life of 5 years.

J. Compensated Absences

There is no written policy for compensated absences. All full-time employees earn one week of annual leave. This leave is taken when the judges take their leave. Sick leave and annual leave is non-cumulative. In governmental funds, the cost of sick leave and annual leave is recognized when payments are made to employees.

K. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash

At December 31, 2006, the carrying amount of the District Court's cash deposits was \$216,733 and the bank balance was \$218,204, of which \$175,028 was insured from loss by federal deposit insurance and \$43,176 was uninsured and uncollateralized. The District Court did not comply with certain provisions of state law which require that bank balances not insured from loss through federal deposit insurance be secured from loss at all time through the pledge of bank securities.

3. Due From Other Governmental Units

Due from other governmental units represent amounts collected in 2006 and received in 2007.

St. Bernard Parish Clerk of Court	\$ 8,520
St. Bernard Parish Sheriff	22,839
Total	<u>\$ 31,359</u>

No allowance for uncollectible receivables is required at December 31, 2006.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements (Continued)

For The Year Ended December 31, 2006

4. Accounts Payable

Accounts payable at December 31, 2006, including payroll withholding taxes and accrued payroll taxes, total \$10,854.

5. Litigation

There is no litigation pending against the District Court at December 31, 2006.

6. Capital Assets

The general fixed assets of the District Court include only those assets purchased by funds provided for in the Judicial Clerk's Fund.

	Balance 12/31/05	Increases	Decreases	Balance 12/31/06
Capital Assets:				
Equipment	\$ 9,144	\$ 36,499	\$ -	\$ 45,643
Total Capital Assets	\$ 9,144	\$ 36,499	\$ -	\$ 45,643
Less Accumulated Depreciation:				
Equipment	\$ 8,122	\$ 6,677	\$ -	\$ 14,799
Total Accumulated Depreciation	\$ 8,122	\$ 6,677	\$ -	\$ 14,799
Totals	<u>\$ 1,022</u>	<u>\$ 29,822</u>	<u>\$ -</u>	<u>\$ 30,844</u>

Required Supplemental Information

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Schedule 1

General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (Non-GAAP Basis) and Actual

For the Year Ended December 31, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget Favorable / (Unfavorable)</u>
Revenues:				
Court Cost	\$ 110,000	\$ 114,780	\$ 117,621	\$ 2,841
State Drug Court Grants	-	-	60,287	60,287
Intergovernmental Grants	28,800	28,800	41,359	12,559
Other	<u>185</u>	<u>400</u>	<u>444</u>	<u>44</u>
Total Revenues	\$ 138,985	\$ 143,980	\$ 219,711	\$ 75,731
Expenditures:				
General Office Expenditures	\$ 1,500	\$ 3,720	\$ 3,120	\$ 600
Insurance	6,000	12,000	11,088	912
Legal & Professional	5,000	8,076	8,076	-
Supplies	-	-	1,167	(1,167)
Capital Outlay	-	28,000	26,513	1,487
Transfers to Drug Court Corporations	-	-	60,287	60,287
Salaries & Related Benefits	<u>24,600</u>	<u>15,130</u>	<u>15,155</u>	<u>(25)</u>
Total Expenditures	\$ 37,100	\$ 66,926	\$ 125,406	\$ (58,480)
Excess (Deficiency) of Revenues Over Expenditures	\$ 101,885	\$ 77,054	\$ 94,305	\$ 17,251
Fund Balance - Beginning of the Year	<u>\$ 75,313</u>	<u>\$ 75,313</u>	<u>\$ 75,332</u>	<u>\$ 19</u>
Fund Balance - End of the Year	<u>\$ 177,198</u>	<u>\$ 152,367</u>	<u>\$ 169,637</u>	<u>\$ 17,270</u>

See accountant's report.

**Other Independent Accountant's Reports
And Findings and Recommendations**

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
HAMMOND, LA

John N. Durnin, CPA
Dennis E. James, CPA

Member
American Institute of CPA's
Society of Louisiana CPA's

June 19, 2006

Independent Accountant's Report On Applying Agreed-Upon Procedures

The Honorable Kirk Vaughn
and Honorable Judges
Thirty-Fourth Judicial District Court
Chalmette, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Thirty-Fourth Judicial District Court and the Louisiana Legislative auditor, solely to assist the users in evaluating management's assertions about the District Court's compliance with certain laws and regulations during the year ended December 31, 2006, included in the accompanying *Louisiana Attestation Questionnaire*.

This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Governmental Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested of for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (public bid law).

Finding: The district court purchased video conferencing equipment with a total cost of \$30,062. There is no evidence in the files that this purchase was publicly bid as required by LSA-RS 38:2211-2251 (public bid law).

Recommendation: We recommend the District Court comply with the provisions of LSA-RS 38:2211-2251 (public bid law).

Code of Ethics for Public Officials and Public Employees

2. We obtained the following from management:
 - A list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (code of ethics), and a list of outside business interest of all board members and employees, as well as their immediate families.
 - A list of all employees

The Honorable Kirk Vaughn
and Honorable Judges
Thirty-Fourth Judicial District Court
Chalmette, Louisiana

We determined that the list of District Court employees paid during the year did not include any immediate family members of board members.

Budgeting

3. From the legally adopted budget and all amendments, we performed the following:
- Traced the budget adoption and amendments to the minute book.
 - Compared the revenues and expenditures of the final budget to actual revenues and expenditures to determine if the actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Finding: We determined that no budget was adopted for the Juvenile and FINS fund. In addition we determined that the District Court failed to comply with certain provisions of the Local Government Budget Act (LSA-RS 39:1301-1315) which requires that an adopted budget must be amended when expenditures exceed the budget by five percent or more.

Recommendation: We recommend that the District Court continue to closely monitor its budget and adopt budget amendments when requires.

Accounting and Reporting

4. From the total expenditures of the District Court, we performed the following:
- Randomly select six disbursements to be examined.
 - Trace the six disbursements to supporting documentation as to proper amount and payee.
 - Determine if the six disbursements were properly coded to the correct fund and general ledger account.
 - Determine whether the six disbursements received approval from proper authorities.

All disbursements were found to be correct with respect to proper vendor, proper amount, proper account classification and proper approval from management.

Meetings

5. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meeting law).

We determined that minutes of each meeting are being recorded as required.

Debt

6. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We determined that all deposits were recorded correctly to the appropriate accounts.

Advances and Bonuses

7. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

The Honorable Kirk Vaughn
and Honorable Judges
Thirty-Fourth Judicial District Court
Chalmette, Louisiana

We determined that payroll was correctly recorded and no bonuses, advances, or gifts were evident.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Thirty-Fourth Judicial District Court, the Louisiana Legislative Auditor, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Respectfully submitted,

Durnin & James, CPAs

Durnin & James, CPAs
(A Professional Corporation)

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

March 30, 2007 (Date Transmitted)

Dumin & James
Certified Public Accountants
Post Office Drawer 369
Hammond, LA 70404

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.


Robert A. Buckley, Judge, Division "A"

3/30/07

Date


Manuel Hernandez, Judge, Division "B"

3/30/07

Date


Wayne Cresson, Judge, Division "C"

3/30/07

Date


Kirk A. Vaughn, Judge, Division "D"

3/30/07

Date


Jacques Sanborn, Judge, Division "E"

3/30/07

Date

Findings and Recommendations

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Current Year Findings

For the Year Ended December 31, 2006

06-01: Compliance with Fiscal Agency and Cash Management Laws

Finding: State law (LAS-RS 39:1211-45) requires that the District Court's bank deposits be secured from loss through federal deposit insurance and the pledge of bank securities. As of December 31, 2006, a total of \$43,176 deposited in the District Court's fiscal agent bank was uninsured and uncollateralized.

Recommendation: The District Court should immediately require the fiscal agent bank to pledge additional securities to the benefit of the District Court in instances when the cash balance in the fiscal agent bank exceeds the federal deposit insurance limits.

06-02: Public Bid Law

Finding: During the fiscal year, the district court purchased video conferencing equipment with a total cost of \$30,062. There is no evidence in the files that this purchase was publicly bid as required by LSA-RS 38:2211-2251 (Public Bid Law).

Recommendation: We recommend the District Court comply with the provisions of LSA-RS 38:2211-2251 (Public Bid Law).

06-03: Comprehensive Budget

Finding: We determined that no budget was adopted for the Juvenile and FINS fund. In addition we determined, that the District Court failed to comply with certain provisions of the Local Government Budget Act (LSA-RS 39:1301-1315) which requires that an adopted budget must be amended when actual expenditures exceed the amount budgeted by five percent or more.

Recommendation: We recommend that the District Court continue to closely monitor its budget and adopt budget amendments when requires.

Corrective Action Plan for Current Year Findings

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Corrective Action Plan for Current Year Findings

For the Year Ended December 31, 2006

<u>Ref.#</u>	<u>Description of Finding</u>	<u>Corrective Action Plan</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
06-01	Compliance with Fiscal Agency and Cash Management Laws	Request pledge collateral from fiscal agent bank for deposits exceeding the insured balance.	Judge Kirk Vaughn	June 30, 2007
06-02	Compliance With Public Bid Law	Comply with public bid laws as required.	Judge Kirk Vaughn	June 30, 2007
06-03	Comply With Local Government Budget Act	Adopt budgets for all funds. Amend budgets as needed.	Judge Kirk Vaughn	June 30, 2007

Note: This schedule has been prepared by the management of the Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court.

Summary Schedule of Prior Findings

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Summary Schedule of Prior Year Findings

For the Year Ended December 31, 2006

Ref.#	Fiscal Year Findings		Description of Findings	Corrective		Plan Corrective Action -	
	Initially Occurred			Action Taken		Partial Corrective Action Taken	
05-01	2005		No established travel policy	Yes		Receipts needed for travel expenses	
05-02	2005		Failure to comply with Local Government Budget Act	No		Original and amended budget for general fund adopted and approved. No budget for Juvenile or FINS fund adopted or approved.	

Note: This schedule has been prepared by the management of the Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court.